

# NEWSLETTER

THE GLOBAL RESHUFFLE: POWER, PETROL, AND THE ALMIGHTY DOLLAR



## Navigating the Geopolitical Tightrope: How Political Drama is Reshaping Global Sentiment?

If there is one phrase to define the global political theater this month, it is "Economic Nationalism." We are witnessing a staggering reversal of old assumptions. The era of governments acting merely as referees in global markets is officially over; today, they are the lead players. From high-stakes summits in Beijing to unprecedented interventions in the Western Hemisphere, May 2026 is redefining the global order, forcing citizens, businesses, and investors to navigate a highly fragmented reality.

Here is a closer look at the political drama unfolding this month and how it is driving the mood on the ground.

### The Beijing "Compliance Checkpoint"

**The Action:** On May 14 and 15, U.S. President Donald Trump and China's President Xi Jinping met in Beijing. Unlike previous grand diplomatic resets, this summit was strictly a "compliance checkpoint" focusing on commitments made in last year's Busan

agreement. The agenda was heavily transactional, covering fentanyl precursor crackdowns, rare earth export controls, and agricultural purchases, all while preserving the fragile stability between the two superpowers.

**The Sentiment:** *Cautious exhaustion.* Global markets and populations are weary of the endless economic tug-of-war. For citizens and businesses in both nations, ongoing tariff threats and export controls feel like a constant tax on daily life. However, there is a collective sigh of relief that both superpowers are currently choosing diplomatic engagement over escalation.

### Europe's Strategic Anxiety and the Rise of Middle Powers

**The Action:** Europe finds itself increasingly squeezed. Unpredictable U.S. shuttle diplomacy regarding the Russia-Ukraine war continues to unnerve European capitals, forcing them to take their own defense spending much more seriously. Simultaneously, the EU and China are on a collision course over industrial overcapacity.

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Looking for alternatives, leaders are branching out. Case in point: India's Prime Minister Narendra Modi is in Oslo this week (May 18) for the 3rd India-Nordic Summit, aiming to secure energy lines and navigate the economic fallout of the Ukraine and Iran conflicts.

**The Sentiment:** *Urgency and self-preservation.* The European public is feeling the pinch of economic decoupling and the high cost of defense. There is a growing sentiment of "strategic anxiety"—a stark realization that Europe must stand on its own two feet.

### **The Dual Shock: Oil Weaponization and the Almighty Dollar**

**The Action:** The geopolitical risk premium on oil remains stubbornly high as tensions between Israel, Iran, and proxy actors keep shipping lanes in the Middle East unpredictable. OPEC+ continues to carefully manage supply to keep floors under crude prices. Simultaneously, the U.S. Dollar is experiencing a relentless surge. Driven by a combination of safe-haven flows amidst global instability and robust U.S. economic posturing, the "King Dollar" is aggressively devaluing currencies across the Global South, from the Japanese Yen to emerging market currencies in India and Latin America.

**The Sentiment:** *The global "double tax" and rising resentment.* For billions of people outside the United States, this is translating into a brutal cost-of-living squeeze. They are paying a "double tax": energy is becoming more expensive, and their local currency buys significantly less on the global market. This dynamic is fueling intense grassroots frustration and giving immense popular

backing to government efforts (particularly within BRICS nations) to accelerate "de-dollarization" and build alternative, non-USD trade payment systems.

### **Wall Street's Verdict: Trading the Fragmentation**

**The Action:** U.S. markets are heavily bifurcated as they digest this new reality. The defense and aerospace sectors are seeing a sustained bull run as European and Asian nations scramble to re-arm. The energy sector is similarly thriving on the geopolitical risk premium of oil. However, it is not all green on the screens. Large U.S. multinational corporations are issuing profit warnings, as the hyper-strong U.S. Dollar eats into their overseas revenues when repatriated back home.

**The Sentiment:** *Tactical opportunism.* Wall Street has largely abandoned the old "buy the world" globalization playbook. The prevailing sentiment is "Bullish on America, Cautious on the World." Institutional investors are executing a "flight to quality," parking capital in U.S. equities and Treasuries. They view the fragmentation not as a doomsday scenario, but as a reshuffling of the deck—aggressively pricing in the winners of reshoring, domestic manufacturing, and defense, while shorting heavily exposed emerging markets.



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### The Crispidea Bottom Line

What does this mean for the everyday reader and the savvy investor? The sentiment across the globe has definitively shifted from globalization's limitless optimism to a defensive, localized posture.

- For Consumers:** Supply chain shocks and currency fluctuations are no longer anomalies; they are baked into the geopolitical cake. Purchasing power will remain under pressure as long as the U.S. Dollar stays dominant and energy supplies remain weaponized.
- For Businesses & Investors:** You are no longer just competing against rival companies; you are navigating the industrial strategies and monetary policies of rival nations. Foreign exchange (FX) hedging and localized supply chains are now survival mechanisms, not just best practices.

As we move through the rest of 2026, the winners will not just be those with the best products, but those with the most resilient, politically insulated supply networks. Stay agile, stay informed, and as always, thank you for reading Crispidea.



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## Month in review

Date		Company Name	Report Name	CMP	TP	Rating
11 May	 <b>RTX</b>	RTX Corporation	\$271bn backlog powering aftermarket upside	\$172.90	\$183.98	HOLD
11 May	 <b>Steel Dynamics, Inc.</b>	Steel Dynamics Inc.	Return dilution and execution risk at peak spreads	\$229.27	\$221.00	SELL
13 May	 <b>Adobe</b>	Adobe, Inc.	Adobe navigates CEO transition period	\$255.62	\$279.10	HOLD
19 May	 <b>amazon</b>	Amazon.com, Inc.	Leo emerging as growth driver	\$264.14	\$290.00	BUY
15 Mar	 <b>accenture</b>	Accenture, Plc	AI momentum offsets macro pressure	\$172.35	\$180.27	HOLD
26 May	 <b>Akamai</b>	Akamai Technologies, Inc	AI growth meets investment pressure	\$147.23	\$153.91	HOLD
27 May	 <b>servicenow</b>	ServiceNow, Inc.	Strong quarter while organic growth debated	\$101.83	\$110.97	HOLD
27 May	 <b>Alphabet</b>	Alphabet, Inc.	Google cloud emerges stronger with confidence	\$379.38	\$419.32	BUY
27 May	 <b>adidas</b>	Adidas AG	Apparel growth offsets footwear weakness	\$154.50	\$163.00	HOLD


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